

## **Kenneth Davidson – Friends of Banyule – North East Link Public Meeting – 6 October 2010**

### **The decline in public accountability**

Kenneth Davidson opened his presentation by saying that since the election of the Kennett government in 1992 major infrastructure projects in Victoria have been characterised by sham governmental public consultation processes. The processes associated with private- public partnerships in particular have lacked public transparency. Major projects affected have included the privatisation of public transport, the Grand Prix at Albert Park and City Link.

Amongst the public sector watchdog agencies, the Auditor-General, in particular, has not been sufficiently robust in analysing these government and private sector deals to see who benefits and what the real costs are. The Westminster model of parliamentary cabinet government, which applies in Victoria, is dependent for its health on robust checks and balances. These tools are currently in poor shape. Freedom of Information processes have become particularly degraded. The Cain government in the mid 1990's was the last to take it seriously. The culture of public accountability which existed during the Hamer, Thomson and Cain years has dissipated. The progressive deregulation of broadcasting at Commonwealth level has also contributed to a significant decline in democratic dialogue and information on public policy issues, including transport.

### **Roads interests and VicRoads now drive the development of Melbourne**

The Victorian Transport Plan, released by the Brumby Government in December 2008, is really a sequel to the 1969 plan based on the consultancy work of Wilbur Smith. It took as its model the car dominated suburbs of Los Angeles in Melbourne. In past years the MMBW, then the de facto planning agency for Melbourne, was much more sympathetic towards non-road transport modes than the roads agencies (now VicRoads). Vic Roads has assumed dominance in determining the shape of Melbourne. They basically see the purpose of freeways as to get people in and out of the Melbourne CBD.

Why should the federal government provide funding support for the north east link project if it is serious about sustainable development? It is important that a large proportion of freight is transferred from roads to rail to stop these projects.

Kenneth Davidson recalled that at the public meeting in Heidelberg in 2002 he said that the north-east link was on the agenda. The then minister of transport, Peter Batchelor, and the local MP, Craig Langdon, denied it at the time. The fact is that north-east link has always been on the VicRoads agenda.

The Scoresby freeway should never have been built but is only given justification by linking it to the Metropolitan Ring Road by the north east link by whatever route.

The Frankston bypass (Peninsula Link) whose purpose is to feed more cars from the Mornington Peninsula into EastLink will cause incalculable destruction to Melbourne's urban amenity. Peninsula Link is being funded on the so-called availability model, like the Wonthaggi desalination plant. i.e. the government is charged for the road, whether its services are used by consumers or not.

### **The expense and failure of PPP's**

The private sector now refuses to fund toll roads because they do not want to take the business risk associated with predicting traffic flows (There have been a number of cases of extravagant predictions of traffic flows made in prospectus for toll roads that have not been met when the project has been completed).

How much extra the taxpayer is paying for Peninsula Link can be calculated from the actual cost of funds for the project (about 11.7%) relative to what the state could acquire these funds for if it was to undertake the project on its own behalf (about 6.2%). This is equivalent to about \$28 million per kilometre. It would cost only about \$19 million per kilometre if constructed as a government project in the manner of the recently completed Commonwealth-funded Geelong bypass. The cost difference is essentially the extra cost burden imposed on the taxpayer by the PPP model. Interestingly, Abigroup is the builder of both projects.

Public private partnerships are a rort which impose unnecessary cost burdens on the community and have also involved wage deals much superior to general market conditions to secure union endorsement of these projects.